

Education

Money Report
Comparison

June 17, 2014

House/Senate Comparison Report

Public Education

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

A. Reserve for Salaries & Benefits

1	Compensation Increase Reserve - Educators	\$465,317,000	
	<p>Provides funds for the new 21-step Professional Status Teacher Salary Schedule as well as an experience-based step for educators opting into this new schedule. It increases the Statewide guaranteed minimum starting educator pay to \$33,000 annually. Assuming that all educators opt into the Professional Status Schedule, local supplement amounts remain unchanged, there is no turnover, and there are no changes to educators' education attainment or certifications, this schedule provides, on average, an 11% salary increase. Under this comparison, average educator salary from all fund sources would increase to over \$51,000.</p> <p>For individuals at the top of the new salary schedule, funds are provided for a 1% salary bonus. Two corresponding provisions in the Salaries and Benefits section of the bill provide additional information on this item.</p>	\$3,410,000	NR
2	Compensation Increase Reserve - Educators	\$176,193,279	
	<p>Provides funds for a new teacher salary schedule as well as an experience-based step for all step-eligible educators. The new schedule increases the pay of all educators to at least \$33,000 annually. This new schedule for all educators provides, on average, a 5% salary increase assuming that local supplements remain the same, there is no turnover, and there are no changes to educator educational attainment or certifications. Funds are provided for a bonus for educators at the top of the salary schedule who would not otherwise receive a salary increase. Two corresponding provisions in the Compensation of Public School Employees part of the Appropriations Act provide additional information on this item.</p>	\$2,150,000	NR
3	Compensation Increase Reserve - School-based Administrators	\$5,818,632	
	<p>Provides funds for salary schedule changes and an experience-based step for all step-eligible school-based administrators. In addition, funds are provided for a nonrecurring salaries and benefits bonus of \$1,000 (\$809 bonus) for all school-based administrators who do not receive a salary increase on this schedule. A corresponding provision in the Salaries and Benefits section of the bill provides additional information on this item.</p>	\$133,410	NR

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(Items in Controversy are Shaded)

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4	Compensation Increase Reserve - School-based Administrators Provides funds for salary schedule changes and an experience-based step for all step-eligible school-based administrators. Administrators who do not receive a salary increase under the new schedule are provided a 2% bonus. Two corresponding provisions in the Compensation of Public School Employees part of the Appropriations Act provide additional information on this item.	\$10,158,319	
5	Compensation Increase Reserve - Non-certified and Central Office Staff Provides a \$618 recurring salary and benefit increase (\$500 salary increase) for permanent full-time non-certified and central office staff.		\$32,635,439
6	Compensation Increase Reserve - Non-certified and Central Office Personnel Provides a \$1,000 annual recurring salary increase (approximate \$1,236 salary and benefit increase) for permanent full-time employees.	\$65,270,879	
7	Compensation Increase Reserve - Department of Public Instruction (DPI) Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees located administratively under the State Board of Education.		\$891,973
8	Compensation Increase Reserve - Department of Public Instruction (DPI) Provides a \$1,000 annual recurring salary increase (approximate \$1,236 salary and benefit increase) for permanent full-time employees.	\$1,461,135	
9	State Retirement System Contributions - School District Personnel Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.		\$21,514,025
10	State Retirement System Contributions - School District Personnel Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.	\$35,082,455	

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(Items in Controversy are Shaded)

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	House FY 14-15	Senate FY 14-15
11 State Retirement System Contributions - DPI		\$183,857

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

12 State Retirement System Contributions - DPI	\$299,811	
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

B. Technical Adjustments

13 Average Daily Membership (ADM) (Multiple)	(\$37,453,734)	(\$37,453,734)
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Revises projected ADM for FY 2014-15 to reflect 6,286 fewer students than originally projected. The adjustment includes revisions to all position, dollar, and categorical allotments.

Total allotted ADM for FY 2014-15 is 1,520,305, an increase of 10,320 students over FY 2013-14.

Identical

14 Average Certified Personnel Salaries (Multiple)	(\$64,923,926)	(\$64,923,926)
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Revises budgeted funding for certified personnel salaries based on actual salary data from December 2013. The adjustment does not reduce any salary paid to certified personnel, nor does it reduce the number of guaranteed State-funded teachers, administrators, or instructional support personnel.

Identical

15 ADM Adjustment: Opportunity Scholarships (1800)	\$11,797,941	
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Provides funding to eliminate the ADM Adjustment for Opportunity Scholarships.

House Only

16 Education Lottery Receipts (1800)		(\$56,298,342)
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Adjusts the receipts budgeted for the Classroom Teachers allotment to reflect an updated distribution between the four Lottery programs. This adjustment does not impact the combined total funding from Lottery and General Fund sources available for the Classroom Teachers allotment.

Same language as Item #17
- Money is different

Public Education

(Items in Controversy are Shaded)

House
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FY 14-15

17 Classroom Teachers

(\$160,904,386)

Adjusts the receipts budgeted for the Classroom Teachers allotment to reflect an updated distribution between the four Lottery programs. This adjustment does not impact the combined total funding from Lottery and General Fund sources available for the Classroom Teachers allotment.

Language same as Item #16

18 Exceptional Children Headcount (1860)

(\$5,327,241)

Adjusts funding budgeted for the Children with Disabilities preschool and school-age allotments to reflect actual student headcount. The continuation budget includes anticipated growth based on the projected headcount of children with disabilities. This adjustment revises budgeted funding for both preschool and school-age children with special needs to reflect the April 1, 2014 headcount and does not reduce funding per student.

House Only

C. Public School Funding Adjustments

19 Excellent Public Schools Act (Multiple)

\$6,015,859

\$6,015,859

Provides additional funds to the Department of Public Instruction to carry out elements of the Excellent Public Schools Act contained in Section 7A.1 and Section 7A.7 of S.L. 2012-142. DPI will have \$38.0 million available to implement these requirements.

Identical

20 Classroom Teachers (1800)

(\$43,362,064)

(\$43,362,064)

Revises adjustment made in the 2013 budget to reduce the classroom teachers allocations in Grades 2 and 3 from 1 teacher per 18 students to 1 teacher per 17 students. This adjustment will forego an additional 788 new teaching positions budgeted to be added in FY 2014-15. FY 2014-15 classroom teacher allocations and class size requirements will remain the same as they are in FY 2013-14. \$3.72 billion remains in the budget for this allotment.

Identical

21 Excellent Public Schools Act - Five Extra Days (Multiple)

(\$391,637)

(\$391,637)

Eliminates funding that had been provided to support a requirement that local education agencies (LEAs) provide additional instructional days (S.L. 2011-145, Section 7.29). A subsequent amendment to G.S. 115C-84.2.(a)(1) eliminated this mandate. Funding had previously supported \$40,168 for additional costs related to substitute teachers and \$351,469 for additional costs related to student transportation.

Identical

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(Items in Controversy are Shaded)

House
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22 Education-Based Salary Supplements Restoration (1800)

\$18,700,000

\$18,700,000

Provides additional funding necessary to restore education-based salary supplements for master's, advanced or doctoral degrees for certain personnel, as directed in a corresponding special provision.

Identical

23 School Bus Replacement (1830)

(\$3,369,983)

Reduces this allotment supporting the purchase of replacement school buses to reflect lower-than-expected bus prices and departmental operational efficiencies. This reduction does not reduce the number of replacement buses to be purchased in FY 2014-15. \$46.2 million remains in this allotment to support the purchase of 579 replacement buses in FY 2014-15.

Does not include Item 24 NR reduction. Otherwise identical.

24 School Bus Replacement (1830)

(\$3,369,983)

(\$3,369,983) NR

Reduces this allotment supporting the purchase of replacement school buses to reflect lower-than-expected bus prices and departmental operational efficiencies. The nonrecurring reduction reflects the savings associated with foregone bus purchases in FY 2013-14 and the recurring reduction reflects reduced future financing payments as a result of those foregone purchases. This reduction does not reduce the number of replacement buses to be purchased in FY 2014-15. \$46.2 million remains in this allotment to support the purchase of 579 replacement buses in FY 2014-15.

Identical except for NR aspect (Item 23)

25 Teacher Assistants (1800)

(\$233,182,240)

Reduces funding for teacher assistants and modifies the basis for funding in this allotment. For FY 2014-15, this allotment will provide \$971.75 per student in ADM in grades K-1. Previously, this allotment had provided funding on the basis of ADM in grades K-3. LEAs may continue to place teacher assistants in any K-3 classroom with these funds. \$240.2 million will remain in this allotment in FY 2014-15.

Senate Only

26 Central Office Administration (1810)

(\$4,795,567)

Reduces the allotment to LEAs for the salaries and benefits of central office staff by 5%. This staff includes, but is not limited to, superintendents, associate and assistant superintendents, finance officers, athletic trainers, and transportation directors. \$91.1 million will remain to support these local staff in FY 2014-15.

Senate Only

Public Education

(Items in Controversy are Shaded)

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27	Transportation (1830)			(Senate Only)	(\$28,608,891)
	Reduces by 6% the total support for the allotment, which supports the salaries of transportation personnel, the maintenance of yellow buses, and support for the Driver Training program, which will now be distributed via this allotment. A corresponding provision redirects a transfer from the Highway Fund for Driver Training into this allotment. This transfer will only occur in FY 2014-15, as it is repealed beginning in July 1, 2015 in a corresponding provision. Combined General Fund and receipt support for this allotment will be \$448.0 million in FY 2014-15.				
28	Small County Supplemental Funding (1800)	\$3,581,140			\$3,581,140
	Revises the funding formula to provide differentiated funding based on the size of eligible districts as directed in a corresponding special provision. \$46.3 million will be available for this allotment in FY 2014-15.				
29	Panic Alarms (1830)	(\$1,100,000)			(\$1,100,000)
	Reduces available funding for this program to reflect FY 2013-14 actual expenditures. \$900,000 will be available for awards in FY 2014-15, slightly more than the amount awarded in FY 2013-14.				
30	Cooperative and Innovative High Schools (1821)	\$1,864,014			
	Provides Cooperative and Innovative High Schools (CIHS) allotment support to fulfill the funding requests for the six new CIHSs approved by the State Board of Education in 2014. Funding will support one STEM Early College and two Middle Colleges in Mecklenburg County, A Young Men's and Young Women's Leadership Academy in Wake County; and the Buncombe Discovery Academy in Buncombe County.				
31	Cooperative and Innovative High School Planning Grant (1821)	\$150,000	NR		
	Provides nonrecurring funds to the Wilson County Schools for the planning and support of the Wilson Academy of Applied Technology, a high school focusing on innovation and technology to prepare students for careers in manufacturing. The funds appropriated in this section may be used for school construction or renovation of school property. If the Wilson Academy of Applied Technology is approved by the State Board of Education as a Cooperative Innovative High School and is prepared to begin operations in FY 2015-16, it is the intent of the General Assembly to appropriate to Wilson Public Schools recurring funds under the CIHS allotment.				

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32	Textbooks (1800)	\$905,000	House Only
	Increases General Fund support for textbooks. Local school administrative units are encouraged, at their discretion, to consider using Textbook funding for fees associated with accessing digital content through Home Base. These funds, when combined with an additional \$11.0 million in Lottery receipts, would provide \$35.3 million in total support for textbooks, a 51% increase.		NOTE: House included an additional \$11.M for textbooks in Lottery provision (Sec. 5.2)
33	Merit Pay for Teachers (1800)	(\$10,200,000)	House Only
	Eliminates this teacher supplemental compensation program slated to begin in FY 2014-15.		
34	Career Pathways (1800)	\$9,777,150	House Only
	Supports the creation of a new pilot program to provide selected LEAs with the resources to offer career paths for professional growth and advancement opportunities to promote retention of the highest quality teachers within the teaching profession. These pathways will be directed at retaining quality teachers who take on increasing responsibility for students and for the development and success of their peers, and impact student achievement in the classroom. Each of eight pilot LEAs will receive funding for initial implementation. A corresponding provision describes the operational structure of this initiative.		
35	Embedded Innovative Teaching Institute	\$150,000	House Only
	Funds a pilot program for the Union County Public School System to collaborate with a public higher education partner to create a new teacher preparation model. The funding will support tuition for teachers, summer salaries for professors, stipends for course writers, consultation fees, and data collection and processing. Union County Public Schools shall expend these funds only for purposes directly related to this project.		
36	At-Risk Student Services (1800)	(\$300,000)	House Only
	If House Bill 831, 2013 Regular Session, becomes law, reduces funding budgeted for the At-Risk Student Services allotment.		
37	Funds for Children in Private Psychiatric Residential Treatment Facilities	\$300,000	House Only
	If House Bill 831, 2013 Regular Session, becomes law, these funds shall be used to provide for the education of children in private psychiatric residential treatment facilities.		

Public Education

(Items in Controversy are Shaded)

House
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D. Department of Public Instruction

38 **DPI Flexible Reduction (Multiple)** (\$15,078,150)

Reduces State support for DPI by 30%. The State Board of Education may allocate this reduction at its discretion, within the guidelines mandated by a corresponding provision.

39 **DPI Flexible Reduction (Multiple)** (\$502,605)

Reduces State General Fund support for DPI by 1%. The State Board of Education may allocate this reduction at its discretion.

40 **North Carolina Center for the Advancement of Teaching (1410)** \$3,239,639
(\$3,239,639) NR

Shifts all State General Fund support for the ongoing operations of this teacher professional development provider to recurring funding.

Senate maintains
NCCAT funding
on NR basis.

41 **Military Interstate Children's Compact Commission (1660)** \$11,694

Provides additional funding to cover the actual cost of membership of the Military Interstate Children's Compact Commission. The Commission seeks to ensure consistent policies amongst member states to resolve educational transition issues encountered by military children due to frequent relocation. The total budget for this item will be \$60,000.

House
Only

E. Grants

42 **Teaching Fellows (1900)** (\$3,095,000)

Eliminates the General Fund appropriation supporting the Teaching Fellows program. Obligations to previous Fellows classes will continue to be supported from funds available in the Teaching Fellows Trust Fund. The Teaching Fellows Trust Fund has a cash balance of \$4.7 million as of April 30, 2014.

House
maintains
program funding
and "repeals
the repeal" of
Teaching Fellows.

43 **Rural Charter School Development (1901)**

Supports a pilot program administered by Parents for Educational Freedom in North Carolina (PEFNC) intended to accelerate charter school development in rural North Carolina. A corresponding provision addresses program rules.

\$300,000 NR

House
Only

Public Education

(Items in Controversy are Shaded)

House
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44 Communities in Schools (1901)

\$2,000,000

House
only

Provides support to expand the intervention programs and services provided by Communities In Schools of North Carolina, Inc. (CISNC), as part of its public and private partnership with local school administrative units to address the needs of public school students at risk of grade level retention and dropout from school. Total FY 2014-15 State support for CISNC will be \$3,446,750.

45 Teacher Cadet (1901)

\$150,000

House
only

Provides recurring support for the Teacher Cadet Program, a part of the North Carolina Foundation for Public School Children, a private non-profit organization that encourages high achieving students to consider teaching as a career.

Department Totals

\$19,122,739

\$62,998,391

(\$4,009,622) NR

\$3,543,410 NR

Community Colleges

(Items in Controversy are Shaded)

House
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A. Reserve for Salaries & Benefits

46	Compensation Increase Reserve - Community Colleges (Multiple)	\$18,397,754
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

47	Compensation Increase Reserve - Community Colleges	\$22,741,352
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

48	State Retirement System Contributions - Community Colleges	\$3,544,341
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

49	State Retirement System Contributions - Community Colleges	\$5,779,680
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

50	Compensation Increase Reserve - System Office	\$163,791
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time employees.

51	Compensation Increase Reserve - System Office	\$202,461
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees.

52	State Retirement System Contributions - System Office	\$44,783
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

Community Colleges

(Items in Controversy are Shaded)

House
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53 **State Retirement System Contributions - System Office** \$73,026

Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

B. Technical and Formula Changes

54 **Enrollment Growth Adjustment** (\$17,199,053)

Adjusts funds for FY 2014-15 based on the estimated decline in community college enrollment.

The Community College system saw its enrollment decline by 2.5% (or 6,156 FTE) from the budgeted amount in the 2013-14 certified budget for a savings of \$17.2 million.

55 **Enrollment Growth Adjustment (Multiple)** (\$17,199,053)

Adjusts funds for FY 2014-15 based on the decline in community college enrollment.

The Community College system saw its enrollment decline by 2.5% (or 6,156 FTE) from the budgeted amount in the 2013-14 certified budget for a savings of \$17.2 million.

Minor wording
change for
accuracy

56 **Closing the Skills Gap (Multiple)** \$15,366,588 \$16,199,053

Directs the System Office to create a fourth tier in its enrollment funding formula. The tier will be funded at a higher rate than the current highest tier. The new tier shall include health care and technical educational programs that train North Carolinians for jobs that have documented skills gaps and that pay higher wages.

Senate funding is
\$832,465 higher
than House funding

57 **Transfer to Commerce to Offset Apprenticeship Fees (1622)**

Transfers \$300,000 from the Customized Industry Training Program to the Department of Commerce for the Apprenticeship and Training Bureau's Registered Apprenticeship program, which helps workers learn new specialized skills needed in the workforce.

The Department of Commerce is directed to use the funds to offset fee revenue lost when apprenticeship fees assessed under G.S. 94-12 are waived.

(\$300,000) NR

Senate
version
incorrectly
shows a
funding
cut

Community Colleges

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

58 **Transfer to Commerce to Offset Apprenticeship Fees (1622)**

Transfers \$300,000 from the Customized Industry Training Program to the Department of Commerce for the Apprenticeship and Training Bureau's Registered Apprenticeship program, which helps workers learn new specialized skills needed in the workforce.

The Department of Commerce is directed to use the funds to offset fee revenue lost when apprenticeship fees assessed under G.S. 94-12 are waived.

There is a corresponding special provision for this item.

House version
is info only

House version
refers to
special
provision

C. Financial Aid Changes

59 **Yellow Ribbon G.I. Education Enhancement Program (1900)**

\$1,000,000

Funds financial aid for eligible veterans and dependents attending North Carolina community colleges by providing State dollars to leverage federal matching funds via the Yellow Ribbon program.

The Yellow Ribbon Program provides a direct match of school funds to offset the cost of the gap for veterans between non-resident tuition rates and the Post -9/11 G.I. Bill, which pays only up to the resident tuition rate. Funds provided in FY 2014-15 are intended for use in academic year 2015-16 but may be awarded and disbursed in spring 2015.

There is a corresponding special provision for this item.

60 **Yellow Ribbon G.I. Education Enhancement Program (1900)**

\$1,000,000

Funds financial aid for eligible military veterans and dependents attending North Carolina community colleges by providing State dollars to leverage federal matching funds via the Yellow Ribbon program.

The Yellow Ribbon Program provides a direct match of school funds to offset the cost of the gap for veterans between non-resident tuition rates and the Post -9/11 G.I. Bill, which pays only up to the resident tuition rate. Funds provided in FY 2014-15 are intended for use in academic year 2015-16 but may be awarded and disbursed in spring 2015.

There is a corresponding special provision for this item.

Minor
wording
change

Community Colleges

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

D. Other Changes

61	Curriculum Tuition (1620)	(\$2,101,060)	House only
<p>Increases curriculum tuition by \$0.50 per credit hour and makes a corresponding General Fund reduction in anticipation of increased tuition receipts.</p> <p>Tuition will increase from \$71.50 to \$72 per credit hour for residents and from \$263.50 to \$264 for nonresidents. Tuition for resident students will increase by a maximum of \$32 per year, from \$2,288 to \$2,320.</p>			
62	Fayetteville Technical Community College Botanical Lab (1624)	(\$100,000)	House only
<p>Eliminates State funding for the Cape Fear Botanical Garden in Fayetteville, which serves as an outdoor learning laboratory for Fayetteville Technical Community College's Horticulture Technology/Management program.</p>			
63	Audit Services (1300)	\$551,572 (\$551,572) NR	Senate only; House leaves it nonrecurring
<p>Restores recurring funding for the System Office's Audit Services division, which was made non-recurring by S.L. 2013-360. There is a corresponding special provision for this item.</p>			
64	Manufacturing Solutions Center (1624)	\$150,000	Senate only.
<p>Provides additional funding for the Manufacturing Solutions Center at Catawba Valley Community College. Annual funding for this program will be \$846,922.</p>			
65	Textile Technology Center (1624)	\$150,000	Senate only.
<p>Provides additional funding for the Textile Technology Center at Gaston College. Annual funding for this program will be \$653,954.</p>			
Department Totals		\$25,762,994	\$23,002,241 (\$851,572) NR

A. Reserve for Salaries & Benefits

66	Compensation Increase Reserve	\$14,307,259
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Provides a \$1,000 annual recurring salary and benefit increase (\$809 salary increase) for permanent full-time SPA employees.

67	Compensation Increase Reserve (16011)	\$41,616,203
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Provides a \$1,000 annual recurring salary increase (~\$1,236 salary and benefit increase) for permanent full-time employees. Teachers at the North Carolina School of Science and Mathematics paid on the Teacher Salary Schedule receive an experience-based step increase in lieu of the \$1,000 salary increase.

68	State Retirement System Contributions	\$4,384,565
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 0.8% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$37 million.

69	State Retirement System Contributions (16011)	\$7,149,819
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Increases the State's contribution to the Teachers' and State Employees' Retirement System to fund the Annual Required Contribution and provide a 1.44% cost-of-living adjustment to retirees. Total General Fund appropriation across all sections in the committee report is \$60.3 million.

B. Technical and Formula Changes

70	Enrollment Funding Adjustment	(\$1,773,018)
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Reduces budgeted enrollment to match revised projections. The FY 2014-15 budget includes \$26.7 million of State appropriation for enrollment growth at the UNC System but only requires \$24.9 million based on refined enrollment estimates.

71	Enrollment Funding Adjustment (16011)	(\$1,773,018)
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Reduces budgeted enrollment to match revised projections. The FY 2014-15 budget includes \$26.7 million of State appropriation for enrollment growth in the UNC System but only \$24.9 million is required, based on refined enrollment estimates.

Senate was EPA only;
House all permanent full-time employees

minor wording revision, \$ is the same

UNC System

(Items in Controversy are Shaded)

House
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72 Enrollment Growth Model Change (16011)

(\$5,326,425)

(\$5,326,425)

Directs UNC General Administration to revise the Enrollment Growth Funding Model for general institutional support. The current model contains an adjustment factor to limit budget cuts to institutional support lines when enrollment declines. UNC is directed to remove this factor from its model and to reduce campus budgets accordingly.

73 Building Reserves (Multiple)

(\$922,599)

(\$922,599)

-2.80

(\$79,138) NR

(\$79,138) NR

Reduces funding in reserves for new facilities due to delays in completion dates.

House is correct; Senate incorrect.

74 Teacher Preparation Programs through Distance Education

(\$1,801,861)

Eliminates funding for the Teacher Preparation Distance Education Reserve. Funding for distance education teacher preparation was originally provided by the 2001 Appropriations Act (S.L. 2001-424, Sec. 31.7); since that time, these programs have also been added to the enrollment growth funding formula.

Fundamentally identical; House adds clarifying language.

75 Teacher Preparation Programs through Distance Education (16011)

(\$1,801,861)

Eliminates funding for the Teacher Preparation Distance Education Reserve. Funding for distance education teacher preparation was originally provided by the 2001 Appropriations Act (S.L. 2001-424, Sec. 31.7); since that time, these programs have also been added to the enrollment growth funding formula. This adjustment ends that duplicative funding.

C. Financial Aid Changes

76 Yellow Ribbon G.I. Education Enhancement Program

\$4,863,276

Funds financial aid for eligible veterans and dependents attending the University of North Carolina by providing State dollars to leverage federal matching funds via the Yellow Ribbon program.

The Yellow Ribbon Program provides a direct match of school funds to offset the cost of the gap for veterans between non-resident tuition rates and the Post -9/11 G.I. Bill, which pays only up to the resident tuition rate. Funds provided in FY 2014-15 are intended for use in academic year 2015-16 but may be awarded and disbursed in spring 2015.

There is a corresponding special provision for this item.

UNC System

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

77 **Yellow Ribbon G.I. Education Enhancement Program (16011)**

\$4,863,276

Funds financial aid for eligible (military) veterans and dependents attending the University of North Carolina by providing State dollars to leverage federal matching funds via the Yellow Ribbon program.

The Yellow Ribbon Program provides a direct match of school funds to offset the cost of the gap for veterans between non-resident tuition rates and the Post -9/11 G.I. Bill, which pays only up to the resident tuition rate. Funds provided in FY 2014-15 are intended for use in academic year 2015-16 but may be awarded and disbursed in spring 2015.

There is a corresponding special provision for this item.

Fundamentally identical; House adds "military" for clarity.

78 **NC Need-Based Scholarship (16015; 124T)**

(\$7,000,000) NR

Reduces funding for the NC Need-Based Scholarship program for private college students. Total program funding for FY 2014-15 will be \$79,351,588.

79 **NC Need-Based Scholarship (16015; 124T)**

\$4,500,000

(\$4,500,000) NR

Shifts from nonrecurring to recurring \$4.5 million for the NC Need-Based Scholarship for students attending private institutions of higher education. Total funding for the program in FY 2014-15 will be \$86,351,588.

80 **Forgivable Education Loans for Service**

\$5,000,000 NR

Increases funding on a nonrecurring basis for the Forgivable Education Loans for Service scholarship loan program, established in G.S. 116-209.45. This appropriation shall be used to provide scholarship loans to applicants formerly employed as teacher assistants. Program funding for FY 2014-15 will total \$21,594,166.

Senate only

81 **National Guard Tuition Assistance Program (16012, 124R)**

\$50,000

Increases tuition assistance for active members of the North Carolina Army or Air National Guard by 2.7%. The new State appropriation for the program will be \$1,912,815.

House only

UNC System

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

82 College Foundation of North Carolina (16010)

\$1,000,000

House
only

Mitigates the structural budget gap at the College Foundation of North Carolina (CFNC), which formerly was supported largely by receipts from the federal guaranteed student loan program at the College Foundation, Inc. and the State Education Assistance Authority. The 2010 federalization of the student loan program ended any new loan originations through the guaranteed loan program, so those receipts are no longer sufficient to sustain CFNC.

D. Other Changes

83 Management Flexibility Reduction (16011)

(\$19,822,724)

House
only

Increases the management flexibility reduction for the UNC operating budget by 26.9%. Including this change, the management flexibility reduction for FY 2014-15 totals \$93,433,068. The UNC Board of Governors shall not allocate this reduction on an across-the-board basis to constituent institutions.

There is a related special provision for this item.

84 Game-Changing Research (16011)

\$3,000,000

House
only

Funds focused investments in faculty, research, and scholarship in six priority areas: advanced manufacturing; data sciences; defense, military, and security; energy; marine and coastal sciences; and pharmacoengineering. The investment in data sciences shall include data sciences programs at UNC Charlotte. The investment in defense, military, and security shall include the Homeland Security and Defense Technology programs at Fayetteville State University.

85 NCSU Next Generation Power Electronics Innovation Institute

\$2,000,000 NR

Provides State matching funds for a federal initiative to establish a regional and national Wide Bandgap Institute at NCSU. This Institute will be part of the U.S. Department of Energy's National Network for Manufacturing Innovation for Wide Bandgap Semiconductors for Power Electronic Devices. The State match represents the first installment of a total \$10 million State pledge, and NCSU shall only use these funds to provide the required State match for the federal grant.

UNC System

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

- 86 **NCSU Next Generation Power Electronics Innovation Institute (16030)** \$2,000,000

Provides State matching funds for a federal initiative to establish a regional and national Wide Bandgap Institute at North Carolina State University (NCSU). This Institute will be part of the U.S. Department of Energy's National Network for Manufacturing Innovation for Wide Bandgap Semiconductors for Power Electronic Devices. The State match represents the first installment of a total \$10 million State pledge, and NCSU shall only use these funds to provide the required State match for the federal grant.

- Senate is nonrecurring.
- House is recurring.
- House has minor wording improvements.

- 87 **North Carolina New Teacher Support Program (16011)** \$1,200,000

Funds the North Carolina New Teacher Support Program, a comprehensive induction program that targets beginning teachers in schools across the state that qualified for Race to the Top services. The program is administered through a central office and four regional anchor sites at UNC Greensboro, UNC Charlotte, East Carolina University, and the UNC Center for School Leadership Development.

House only

- 88 **Appalachian State University Health Sciences Building**

Funds advance planning for Appalachian State University's College of Nursing and Health Sciences Building. The 200,000 sq. ft. facility will be constructed in association with the Watauga Medical Center. This project received \$2 million in non-recurring planning funds in FY 2013-14; the project's total cost is estimated to be \$80.2 million.

\$2,000,000 NR In the House, this was funded at \$4 m in capital section

- 89 **UNCG Public Private Partnership**

Provides funds to support Union Square Inc. a non-profit entity formed to create a public private partnership in downtown Greensboro to build a \$37 million, 100,000 square-foot facility to focus on health care education. The space will house expansion of the UNC Greensboro and Guilford Tech Community College nursing programs and training facilities for Cone Health. The building will include office space, laboratory space, and health care education space.

\$2,000,000 NR

Senate only.

- 90 **NCSU Food Processing**

Provides \$250,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's food processing initiative. The University of North Carolina may not collect Facilities and Administrative expenses from these funds. Funding is reflected in the Natural and Economic Resources section of this document.

- Identical.
- Information-only item.

There is a related special provision for this item in the Department of Agriculture and Consumer Sciences section.

UNC System

(Items in Controversy are Shaded)

House
FY 14-15

Senate
FY 14-15

91 NCSU Plant Science Initiative

Provides \$350,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's plant science initiative. The University of North Carolina may not collect Facilities and administrative expenses from these funds. Funding is reflected in the Natural and Economic Resources section of this document.

- Fundamentally identical.
- House adds reference to related special provision.

92 NCSU Plant Science Initiative

Provides \$350,000 in nonrecurring funding to the College of Agriculture and Life Sciences at NC State University to support the development of the Department's plant science initiative. The University of North Carolina may not collect Facilities and Administrative expenses from these funds. Funding is reflected in the Natural and Economic Resources section of this document.

- Information-only item.

There is a related special provision for this item in the Department of Agriculture and Consumer Sciences section.

93 Internships and Career-Based Opportunities for HBCU Students (16011)

\$317,500

Creates a pilot internship program to link 60 students attending Historically Black Colleges and Universities (HBCUs) with North Carolina-based companies. Elizabeth City State University plus three HBCUs selected through a competitive application process will participate in the pilot. Of the three institutions selected, one must be an HBCU constituent institution of the UNC system and two must be private HBCU colleges or universities located in North Carolina. The University of North Carolina may use up to 5% of these funds to administer the program.

House only.

Department Totals

\$36,050,171	\$13,731,197
-2.80	
(\$4,579,138) NR	\$3,920,862 NR